


19 March 1969

MEMORANDUM FOR THE RECORD

SUBJECT: Conversation with the Department of State re
Daniels Bill - H.R. 770

1. Called Robert Hull, Department of State, to get a line on the Department's current thinking on keeping the Foreign Service retirement system in pace with possible liberalization of the Civil Service system through favorable action on the Daniels bill (H.R. 770). Hull said there had been numerous inquiries on this within the Department, but that their recommendation to date had been that further benefit liberalization be deferred until a program is approved to put the Foreign Service Retirement and Disability Fund on a sounder financial basis.
2. Hull estimated that the Fund will be going broke within six years. "Normal funding" for the Foreign Service Fund at present benefit levels equals a 29 percent contribution rate as contrasted to 14 percent for the Civil Service retirement fund. The Department is preoccupied with resolving this problem, but their proposals have not had a very receptive audience in the Bureau of the Budget. The only recent bright light in the picture is Treasury's agreement to increase the present 4 percent interest paid on Foreign Service Retirement Fund deposits to not less than one quarter of 1 percent less than the prevailing rate of return to the Treasury, similar to Treasury's agreement with Civil Service.
3. If the Department takes a position on the Daniels bill, Hull felt it would be in the omnibus retirement proposal he is now pulling together which deals primarily with increased survivorship benefits. He did not, however, discount the possibility of joining forces with us in some other legislative vehicle, perhaps the Daniels bill itself, if this became mutually advisable and an opportunity presented itself. We agreed to keep in touch.
4. I reminded Hull that my interest was only at the working level and that the Agency had not taken a position with respect to the Daniels bill, but that clearly a position would be imposed upon both the Agency and the Department if the Daniels bill was approved by virtue of the substantial benefit gap it would create between our systems and Civil Service.


Assistant Legislative Counsel

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Distribution:

Orig. - Subj.

1 - Mr. Warner

1 - Mr. [REDACTED]

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5. (Internal Use Only - JGO) Met with Colonel George Carey, DIA, and discussed DIA's reports to congressional committees concerning free world shipping into North Vietnam. The two principal officers kept up-to-date on this matter on a monthly basis are Representative Charles Chamberlain (R., Mich.) and Senator Harry Byrd (D., Va.).

6. (Internal Use Only - LLM) Spoke with Mr. Robert Hull, Department of State, to determine whether the Department is considering action on comparable benefits if any or all of the Daniels bill amendments (increasing Civil Service benefits) receive favorable action. Hull said there had been some tentative consideration of the matter, but felt that their preoccupation with problems facing the Foreign Service Retirement and Disability Fund is a major obstacle in any further liberalization of the system. See Memo for the Record.

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25X1A (Confidential - LLM) Mr. [REDACTED] OSI, reported that [REDACTED] had called for Agency assistance in connection with a briefing he will be giving on a film, controlled by the Agency, at the Department of Navy tomorrow. Coggan did not press for a response to his previous inquiry regarding Chairman Rivers' interest in viewing this film. Mr. [REDACTED] is turning Mr. [REDACTED] instant request over to DDI channels.

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8. (Secret - LLM) Becky Frank, China Operations, called in connection with a request from Paul Kreisberg, Department of State, for a resume of a sensitive case for Senator Thomas J. Dodd (D., Conn.). Dodd is requesting an appointment with the President on behalf of a constituent who is the mother of one of the individuals involved. Miss Frank said she would get the case into her command channels. Although this office has been in touch with Senator Dodd on this case in the past, it was concluded that we should not interject ourselves in this current situation unless further developments indicate that this would be desirable.

9. (Internal Use Only - LLM) Mr. Wayne Granquist, Administrative Assistant to Senator Abraham Ribicoff (D., Conn.), called asking that I drop by the office tomorrow in connection with matters he feels are within the Agency's jurisdiction and involving an investigation by the Senate Permanent Investigating Subcommittee, which is being headed by Senator Ribicoff.

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